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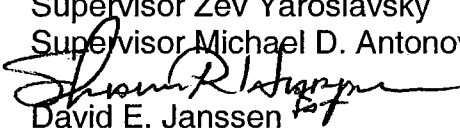
ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

October 13, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: 
David E. Janssen
Chief Administrative Officer

NOVEMBER 2, 2004 GENERAL ELECTION BALLOT MEASURES

This is to provide you with information about the sixteen statewide propositions on the November 2, 2004 general election ballot. The Board has support positions on Propositions 1A, 61, 63, 67 and 71, but has not taken a position on the remainder.

- Proposition 1A: Protection of Local Government Revenues. – **Support** (Board Action: August 10, 2004)
- Proposition 59: Public Records, Open Meetings. Legislative Constitutional Amendment. – **No Position**
- Proposition 60: Election Rights of Political Parties. Legislative Constitutional Amendment. – **No Position**
- Proposition 60A: Surplus Property. Legislative Constitutional Amendment. – **No Position**
- Proposition 61: Children's Hospital Projects. Grant Program. Bond Act. Initiative Statute. – **Support** (Board Action: September 14, 2004)

- Proposition 62: Elections. Primaries. Initiative Constitutional Amendment and Statute. – **No Position**
- Proposition 63: Mental Health Services Expansion, Funding. Tax on Personal Incomes Above \$1 Million. Initiative Statute. – **Support** (Board Action: September 14, 2004)
- Proposition 64: Limits on Private Enforcement of Unfair Business Competition Laws. Initiative Statute. – **No Position**
- Proposition 65: Local Government Funds, Revenues. State Mandates. Initiative Constitutional Amendment. – **No Position**
- Proposition 66: Limitations on "Three Strikes" Law. Sex Crimes. Punishment. Initiative Statute. – **No Position**
- Proposition 67: Emergency Medical Services. Funding. Telephone Surcharge. Initiative Constitutional Amendment and Statute. – **Support (Board Action: October 12, 2004)**
- Proposition 68: Non-Tribal Commercial Gambling Expansion. Tribal Gaming Compact Amendments. Revenues, Tax Exemptions. Initiative Constitutional Amendments and Statute. – **No Position**
- Proposition 69: DNA Samples. Collection. Database. Funding. Initiative Statute. – **No Position**
- Proposition 70: Tribal Gaming Compacts. Exclusive Gaming Rights. Contributions to State. Initiative Constitutional Amendment and Statute. – **No Position**
- Proposition 71: Stem Cell Research. Funding. Bonds. Initiative Constitutional Amendment and Statute. – **Support** (Board Action: August 10, 2004)
- Proposition 72: Health Care Coverage Requirements. Referendum. – **No Position**

Attachment I includes a brief summary of each proposition and comments from affected County departments. Attachment II is a list of all County and other local jurisdiction initiatives which have qualified for the November ballot.

Each Supervisor
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Please let me know if you need additional information, or your staff may contact Max Schmidl at (213) 893-2164.

DEJ:GK
MAL:JF:MS:ib

Attachment

c: Executive Officer, Board of Supervisors
County Counsel
All Departments
Legislative Strategist

PROPOSITION 1A: PROTECTION OF LOCAL GOVERNMENT REVENUES.
COUNTY POSITION: SUPPORT

Proposition 1A, if approved by the voters, would make sweeping changes in the State-local fiscal relationship aimed at providing predictability and stability to local government finances. Proposition 1A, along with companion legislation, SB 1096 (Chapter 211 of 2004), represent an agreement between the State and local governments under which local governments agreed to contribute \$1.3 billion, including \$350 million by counties, to the State budget for two years in return for constitutional protection of local revenues and services.

The proposed constitutional amendment would:

- protect the allocation of local property taxes as they exist on November 3, 2004 and allow the State, starting in FY 2008-09, to borrow (not take or shift) city, county and special district property taxes, but only if, 1) the Governor first declares that "a severe State fiscal hardship" requires suspension of the State Constitution's protections, and 2) the Legislature, by a two-thirds vote of each house, passes an urgency bill suspending protection and in a separate bill enacts a statute providing for the full repayment of lost revenue, including interest, within three years. Before a suspension can occur, the State must repay the existing vehicle license fee (VLF) gap loan (\$205 million to the County), and such a suspension cannot be done more than twice in any ten-year period with the second suspension contingent on full repayment of the first loan. In addition, the total amount that can be borrowed is limited to 8 percent of non-education property taxes or the equivalent of roughly \$1.4 billion currently;
- provide that the Legislature can only reallocate local government property taxes between non-educational agencies within a county if approved by a two-thirds vote of each house, but not to pay the cost of a State mandated program;
- fully replace the existing State vehicle license fee backfill with property taxes (except during the two year period local governments are giving up revenue), and require that if the rate is ever reduced below a new statutory rate of 0.65 percent, the State must backfill the lost revenue;
- specify that the existing local sales tax rate and revenue distribution cannot be changed and also guarantee the return to cities and counties of the ¼ cent sales tax used to finance the State's economic recovery bonds;
- require, beginning in FY 2005-06, either full funding of local government mandates or their automatic suspension, except for certain employee related mandates; Local governments can cease to perform suspended mandates; and
- clarify that a State imposed increased share of costs to local governments for a jointly funded program constitutes a reimbursable State mandate.

Prior to reaching agreement with the State on the provisions of Proposition 1A, local governments had successfully qualified an initiative containing many of the same provisions which will also be on the November ballot as Proposition 65. Proposition 1A contains a provision whereby if it receives more votes than Proposition 65, none of the provisions of the latter will go into effect. As part of the agreement with State policy makers, local governments are not supporting Proposition 65 and the Governor has agreed to lead the campaign for Proposition 1A.

The State Legislative Analyst Office (LAO) has pointed to three significant fiscal impacts of Proposition 1A that will grow over time:

- Local governments will have higher and more stable revenues;
- State programs will have fewer resources available and the State will have to look to other alternatives to resolve its budget problems; and
- The existing structure of local government finance and its allocation of revenues among local governments will be harder to change.

The LAO concludes: "Because the measure appears to expand the circumstances under which the State is required to reimburse local agencies, the measure may increase future State costs or alter future State actions regarding local or jointly funded State-local programs."

Proposition 1A is supported by Governor Arnold Schwarzenegger, the California Fire Chiefs Association, California Professional Firefighters, California State Firefighters' Association, California District Attorneys Association, California Police Chiefs' Association, Peace Officers Research Association of California, Association for Los Angeles Deputy Sheriffs, El Monte Police Department, Los Angeles County Police Chiefs Association, California Democratic Party, California Republican Party, California Park and Recreation Society, California Special Districts Association, California State Association of Counties, League of California Cities, California Redevelopment Association, Association of California Water Agencies, California Association of Public Hospitals and Health Systems, Health Officers Association of California, California Senior Action Network, sixteen California Counties including the County of Los Angeles, over 80 California Cities including the City of Artesia, City of Bellflower, City of Cerritos, City of Diamond Bar, City of El Monte, City of El Segundo, City of Long Beach, City of Montclair, City of Palos Verdes Estates, City of Paramount, City of Rancho Palos Verdes, City of Redondo Beach, City of Santa Clarita, and the City of Santa Fe Springs, California Teamsters Public Affairs Council, SEIU Local 347, Teamsters Local 911, California Farm Bureau Federation, California Association of Resource Conservation Districts, California Chamber of Commerce, California Building Industry Association, California Retailers Association, Long Beach Area Chamber of Commerce, Los Angeles Area Chamber of Commerce, and Los Angeles County Sheriff Lee Baca, among many others.

The measure is opposed by Carole Migden, Chairwoman of the State Board of Equalization.

On August 10, 2004, the Board of Supervisors voted to support and actively work for the passage of Proposition 1A.

PROPOSITION 59: PUBLIC RECORDS, OPEN MEETINGS. Legislative Constitutional Amendment. – COUNTY POSITION: NONE

Proposition 59, known as "The Sunshine in Government Constitutional Amendment," was placed on the ballot by SCA 1 (Burton). It would amend Section 3 of Article I of the State Constitution to make access to records and public meetings of government officials and agencies a constitutional right of each citizen. Proposition 59 would require that any statute, court rule or other authority, which would include the existing Brown Act, California Public Records Act (CPRA) and any other relevant existing statutes, would be broadly construed if it furthers the right of access, and narrowly construed if it limits the right of access.

Proposition 59 stipulates that it does not repeal or nullify any statutory exceptions to the right of access to public records or meetings of public bodies that are in effect on the effective date of the measure, including any statute protecting the right of confidentiality of law enforcement and prosecution records. However, it is unclear how Proposition 59 would affect the CPRA's existing "balancing test" that a public agency may apply in determining whether to disclose a record that is not specifically exempt from disclosure. Currently, an agency may deny access if it determines that the public benefit served by not disclosing a record clearly outweighs the public benefit served by disclosure of the record. Since Proposition 59 establishes the public's right of access as a "fundamental right", the courts will likely ultimately decide how Proposition 59 will impact the current "balancing test."

According to the LAO, this measure could result in some minor annual costs to State and local governments because the change could result in additional government documents being available to the public. Even though government entities can charge individuals requesting information a fee for the cost of photocopying documents, the fees charged do not cover all costs, such as staff time to retrieve the documents.

Proposition 59 is jointly sponsored by the California Newspaper Publishers Association and the First Amendment Rights Coalition and is supported by Governor Arnold Schwarzenegger, Attorney General Bill Lockyer, California Faculty Association, League of California Cities, League of California Women Voters, and the Northern California Radio and Television News Directors Association.

The measure is opposed by Gary B. Wesley (Attorney at Law).

PROPOSITION 60: ELECTION RIGHTS OF POLITICAL PARTIES. Legislative Constitutional Amendment. – COUNTY POSITION: **NONE**

Proposition 60 was placed on the ballot by SCA 18 (Johnson and Alpert). It would place into the State Constitution a requirement that all parties that participate in a primary election be able to advance their top vote-getting candidate to the general election.

California generally holds two statewide elections to elect a candidate to public office - a primary election (in March) and a general election (in November). Some public offices (such as the Governor and members of the Legislature) are partisan, which means that a candidate represents a political party in an election. For partisan offices, the primary election determines each political party's nominee for the office. The candidate receiving the most votes among a party's candidates is that party's nominee for the general election. In the general election, voters then choose among all of the parties' nominees, as well as any independent candidates, to elect a candidate to office.

Proposition 60 provides that a political party that participated in a primary election for a partisan office has the right to participate in the general election for that office and shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among the party's candidates.

According to the LAO, there will be no fiscal effect from this measure because it would not require any changes to election procedures. Under current law, all parties that participate in a primary can have their top vote-getting candidate advance to the general election.

Proposition 60 is sponsored by Senators Johnson and Alpert and is supported by Dan Stanford (Former Chairman – California Fair Political Practices Commission), Barbara O'Conner, Ph.D. (Director, Institute for the Study of Politics and Media – California State University, Sacramento) and George Zenovich (Associate Justice, Retired, 50th District Court of Appeal).

The measure is opposed by Senator Morrow and Assembly Member Reyes.

PROPOSITION 60A: SURPLUS PROPERTY. Legislative Constitutional Amendment. COUNTY POSITION: **NONE**

Proposition 60A would require that proceeds from the sale of surplus State property originally purchased with State General Fund revenues be used to pay the principal and interest on Proposition 57 bonds. Proposition 57 was approved by the voters in March of this year and authorizes the issuance of up to \$15 billion in bonds to finance past budget deficits. Once these bonds are repaid, the proceeds from surplus property sales would be deposited in the State General Fund. The measure does not apply to properties purchased with special fund dollars, such as transportation funds.

Because proceeds from the sale of surplus State property are not a major source of General Fund revenue, the LAO anticipates that this measure would accelerate repayment of Proposition 57 bonds by a few months, for estimated interest savings in the low tens of millions of dollars.

Proposition 60A was placed on the ballot by SCA 18, which was co-authored by Senators Johnson and Alpert. It is supported by Dan Stanford (Former Chairman – California Fair Political Practices Commission), Barbara O’Conner, Ph.D. (Director, Institute for the Study of Politics and Media – California State University, Sacramento), George Zenovich (Associate Justice, Retired, 50th District Court of Appeal), Michael S. Corona (Orange County Sheriff) and Henry L. “Hank” Lacayo (State President, Congress of California Seniors).

The measure is opposed by Senator Morrow and Assembly Member Reyes.

PROPOSITION 61: CHILDREN’S HOSPITAL PROJECTS. Grant Program. Bond Act. Initiative Statute. COUNTY POSITION: **SUPPORT**

Proposition 61 would authorize the State to sell \$750 million in general obligation bonds to finance improvement projects in children’s hospitals. Eligible hospitals would be able to use the bond funds for various purposes including construction, expansion, remodeling, renovating, furnishing, equipping, financing, or re-financing existing projects.

Eighty percent of the bond proceeds would be made available to non-profit children’s hospitals on a grant basis to be administered by the California Health Facilities Financing Authority (CHFFA). The remaining twenty percent is allocated exclusively to children’s hospitals operated by the University of California, specifically UC Davis, UCLA, UC Irvine, UC San Francisco, and UC San Diego. County-operated hospitals are not eligible to participate in programs supported by the bond.

In awarding funds, the CHFFA would need to consider several factors, including: 1) whether the grant would contribute toward the expansion or improvement of health care access to children who are eligible for governmental health insurance programs, or who are indigent, underserved, and uninsured children; 2) whether the grant would contribute to the improvement of child health care or pediatric patient outcomes; 3) whether the hospital provides uncompensated or undercompensated care to indigent or publicly-responsible pediatric patients; 4) whether the hospital provides services to vulnerable pediatric populations; 5) whether the hospital promotes pediatric training and research, and 6) a demonstration of project readiness and feasibility.

The LAO estimates that, assuming a 5.25 percent interest rate and a 30-year repayment schedule, the cost to the State General Fund would be about \$1.5 billion (\$750 million principal and \$756 million interest). The LAO further indicates that Children’s Hospital Los Angeles and Miller Children’s Hospital in Long Beach, along

with six other non-profit children's hospitals in the State, would likely be eligible to participate in the grant program supported by the bond.

Although the County's hospitals would be ineligible to participate in the bond, the Department of Health Services indicates that Proposition 61 would be beneficial in assuring access to specialized services for vulnerable children.

Proposition 61 is sponsored by the California Children's Hospital Association (CCHA) which represents private non-profit children's hospitals including Packard Children's Hospital at Stanford, Children's Hospital and Research Center at Oakland, Children's Hospital Los Angeles, Children's Hospital Orange County, Loma Linda Children's Hospital, Miller Children's Hospital, Long Beach, and Children's Hospital Central California. The measure is also supported by Santa Clara County, the California State PTA, and the State Building and Construction Trades Council of California.

The measure is opposed by Gary B. Wesley, Attorney at Law, the California Republican Party, and the Orange County Taxpayers Association.

On September 14, 2004, the Board of Supervisors voted to support Proposition 61.

PROPOSITION 62: ELECTIONS. PRIMARIES. Initiative Constitutional Amendment and Statute. – COUNTY POSITION: NONE

Proposition 62, known as "The Voter Choice Open Primary," amends both the State Constitution and State statutes to make changes to primary elections.

In March 1996, California voters approved Proposition 198, which created a "blanket" primary system. Proposition 198 allowed all voters, regardless of party affiliation, to vote for any candidate in a primary election. As with the existing system, the candidate from each party receiving the most votes in the primary appeared on the general election ballot. This system was used for primaries in 1998 and 2000. The United States Supreme Court, however, ruled in June 2000 that this system was unconstitutional and could no longer be used. As a result, the State returned to using party-specific ballots for primaries in 2002.

Proposition 62 allows voters for most State and Federal elected offices - including those not affiliated with a political party - to vote for any candidate regardless of the candidate's political party. The measure applies to the election of State constitutional officers, members of the Legislature, and members of Congress. The measure, however, does not apply to the election of the U.S. President or political party committees. If approved, the new system would be used beginning with the March 2006 primary.

Under the measure, each county would prepare for use by all voters a single, primary ballot covering most offices. There would, however, be a separate party-specific ballot

for U.S. President and political party committees. Candidates affiliated with parties and independent candidates would appear on the primary ballot. In each primary, only the top two vote-receiving candidates, regardless of party identification, would be placed on the general election ballot. These two candidates would be the candidates on the general election ballot.

As under Proposition 198, the measure would not require a voter to select candidates from the same party for all offices. Instead, a voter could choose candidates from different political parties for different offices. Unlike Proposition 198, however, this measure would not guarantee that each party has a candidate on the general election ballot. Only the top two vote-getters would advance to the general election. It would be possible for both general election candidates to have the same party affiliation.

Proposition 60 on this ballot also contains provisions affecting which primary candidates advance to the general election ballot. That measure would require each party's top vote-getter in the primary to appear on the general election ballot as is the case currently. The State Constitution provides that if the provisions of two approved propositions are in conflict, only the provisions of the measure with the higher number of yes votes at the statewide election take effect.

Proposition 62 also makes a number of other changes to the State's election procedures, including easing the requirements for political parties and candidates to participate in primary elections. For instance, in order to participate in a primary under current law, candidates must collect a certain number of signatures from registered voters affiliated with their own party. Under this measure, candidates could collect these signatures from any registered voters, regardless of party affiliation. This measure also requires a political party's consent for identification of candidates' party registration on the ballot and in other official election publications.

According to the LAO, this measure would result in some minor costs and savings to State and county election operations that would offset each other.

Proposition 62 is sponsored by Nick Tobey, Susan Riegel Harding and George David Kieffer and supported by State Controller Steve Wesley, California Secretary of Education Richard Riordan, and former State Senator Becky Morgan.

This measure is opposed by Kris Greenlee (California Common Cause), Mimi Walters (California Women's Leadership Association) and George Runner (Citizens and Law Enforcement Against Election Fraud).

PROPOSITION 63: MENTAL HEALTH SERVICES EXPANSION, FUNDING. TAX ON PERSONAL INCOMES ABOVE \$1 MILLION. Initiative Statute. – COUNTY POSITION: SUPPORT

Proposition 63 would impose an additional one percent tax on taxable income over \$1 million for the expansion of mental health services and programs. The measure

would dedicate funds to counties to expand services and develop innovative programs and integrated service plans for mentally ill children, adults and seniors. It would require the State to develop mental health service programs including prevention, early intervention, education and training programs. It would also create a new commission to approve county programs and expenditures. Proposition 63 prohibits the supplanting of current funding for mental health services with proceeds from the new tax.

The proceeds from Proposition 63 would be administered by the State Department of Mental Health and distributed annually to counties based on their expenditure plan, service capacity, unmet needs, and the amount of available funds. In FY 2004-05, funds would be allocated as follows:

- 45 percent for education and training;
- 45 percent for capital facilities and technological needs;
- 5 percent for local planning efforts; and
- 5 percent for State administrative responsibilities.

Beginning in FY 2005-06, program allocations would be phased-in over a three-year period:

- 10 percent placed in a trust fund for education and training;
- 10 percent for capital facilities and technological needs;
- 20 percent for prevention and early intervention; and
- 60 percent allocated to counties to expand mental health services (5 percent of this amount may be used for approved, innovative programs).

The LAO and the Director of Finance estimate that the measure will result in additional revenues of \$250 million in FY 2004-05, \$680 million in FY 2005-06, \$700 million in FY 2006-07, and increasing amounts annually thereafter, with comparable increases in expenditures by the State and counties for the expansion of mental health programs. They further indicate that the savings to the State and counties, while unspecified, could potentially amount to hundreds of millions of dollars annually on a Statewide basis from reduced costs for State prison and County jail operations, medical care, homeless shelters, and social services programs.

According to the County Department of Mental Health (DMH), Proposition 63 would provide help to solve their chronic funding shortfalls and address unmet needs. Because of funding problems, many residents, including those in crisis, are less able to receive the mental health services they need. DMH indicates that, given the current fiscal environment, and the historical under-funding of the public mental health system, Proposition 63 would bring urgently needed resources, and a vision for client-centered and integrated mental health services to Los Angeles County. While Proposition 63 requires counties to submit expenditure plans, Los Angeles County generally receives one-third of statewide funding allocations. One-third of the estimated statewide revenues that would likely be available to counties would be \$82 million in FY 2004-05, and \$223 million in FY 2005-06.

DMH anticipates that the following additional or expanded services could be provided with the passage of Proposition 63:

- crisis services, including psychiatric urgent care facilities in each Service Planning Area;
- additional support for law enforcement involvement in the Department's Mental Evaluation Team (MET) and System-wide Mobile Assessment Response Team (SMART);
- assertive Community Treatment (ACT) services, which provide 24-hour, direct, and individualized assistance to people with serious and persistent mental illnesses;
- suicide prevention as a major activity of the public mental health system;
- early intervention services;
- a system to serve the mental health needs of older adults; and
- new client self-help programs to encourage self-sufficiency, independent living, and employment.

The initiative would also provide an opportunity to restructure the County's mental health system into one that is family-focused and client-centered, both widely accepted features of best mental health practices. The initiative requires an extensive and complex community planning process for expenditure of funds, and provides funding for this process. DMH supports the initiative's promotion of innovative mental health practices, as well as its inclusion of vital workforce development activities to recruit, hire, and retain mental health professionals to deliver additional services to County residents.

Proposition 63 is sponsored by Assembly Member Darrell Steinberg, and supported by the California Psychiatric Association, Southern California Psychiatric Society, California Society of Addiction Medicine, California Academy of Child and Adolescent Psychiatry, California Psychological Association, California Chapter of the National Association of Social Workers, California Mental Health Directors Association, California Healthcare Association, Mental Health Association in California, California Mental Health Planning Council, National Association for the Mentally Ill – California, California Council of Community Mental Health Agencies, California Network of Mental Health Clients, California Institute for Mental Health, Los Angeles County Mental Health Commission, Mental Health Association in Los Angeles County, California Nurses Association, Congress of California Seniors, Older Women's League of California, Gray Panthers of California, SEIU California State Council, AFSCME, AFL-CIO of California, Peace Officers Research Association of California, California Police Chiefs Association, and the California Teachers Association, among many others.

The measure is opposed by the Howard Jarvis Taxpayers Association, Americans for Tax Reform, and the Citizens Commission on Human Rights of the Church of Scientology.

On September 14, 2004, the Board of Supervisors voted to support Proposition 63.

PROPOSITION 64: LIMITS ON PRIVATE ENFORCEMENT OF UNFAIR BUSINESS COMPETITION LAWS. Initiative Statute. – COUNTY POSITION: NONE

Proposition 64 would prohibit any person, except the Attorney General and local public prosecutors, from bringing a lawsuit for unfair competition, defined as any unlawful or fraudulent business act, unless the person has suffered injury and lost money or property. It would require that unfair competition lawsuits initiated on the behalf of others by anyone except the Attorney General or local public prosecutors be class action lawsuits. Requirements for a class action lawsuit include: 1) certification by the court of a group of individuals as a class of persons with a common interest; 2) demonstration that there is a benefit to the parties of the lawsuit and the court from having a single case; and 3) notification of all potential members of the class.

Currently, violators of the unfair competition laws may be required to pay civil penalties which may be used by State and local governments for general purposes. Proposition 64 would restrict the use of these civil penalty revenues to enforcement of consumer protection laws by the Attorney General and local public prosecutors.

The LAO indicates that the effect of this measure on local trial court costs and the cost of diverting civil penalty revenues from general State and local government purposes would depend on the extent to which it results in an increased or decreased number of unfair competition cases. The measure may result in increased workload and costs for the Attorney General and local public prosecutors which would be offset to some extent by civil penalty revenue. However, if lawsuits that would have been brought under existing law regarding health and safety violations are not brought by the Attorney General or a public prosecutor, there could be increased State and local government costs for health-related programs, to the extent that such violations are not corrected.

The County Department of Consumer Affairs indicates that Proposition 64 would reduce the ability of honest businesses and consumers to sue deceptive businesses under the Unfair Competition Law, California's principal consumer protection statute.

The District Attorney (DA) indicates that a few private law firms have misused the Unfair Competition Law, which is the principal law used by California prosecutors to protect consumers and honest businesses. For this reason, the DA supports appropriate and carefully tailored reform of the power of private individuals to bring these lawsuits. However, the DA has joined the California District Attorney's Association in taking a neutral position on Proposition 64 because it does not affect the authority of prosecutors, and because of uncertainties about the scope and impact of the proposition's restrictions on private lawsuits.

Proposition 64 is supported by over 60 business and trade associations including the California Apartment Association, California Association of Realtors, California Building Industry Association, California Business Roundtable, California Chamber of Commerce, California Dental Association, California Restaurant Association, California

Retailers Association, Latin Business Association, and the National Federation of Independent Business; many local chambers of commerce including the Arcadia Chamber of Commerce, Beverly Hills Chamber of Commerce, Cerritos Chamber of Commerce, Culver City Chamber of Commerce, Downey Chamber of Commerce, Long Beach Area Chamber of Commerce, Los Angeles Area Chamber of Commerce, Palmdale Chamber of Commerce, Santa Clarita Chamber of Commerce, and West Hollywood Chamber of Commerce; community groups including the California Senior Action Network, California Taxpayers Association, Citizens Against Lawsuit Abuse, and the Howard Jarvis Taxpayer's Association; hundreds of California businesses including 21st Century Insurance, Caterpillar Inc., Countrywide Financial Corporation, Intel, Safeway Inc., SBC California, Union Bank of California, and Wells Fargo; California elected officials including Governor Arnold Schwarzenegger, Los Angeles County Supervisors Michael D. Antonovich and Don Knabe, and City of Los Angeles Councilman Bernard C. Parks, among many others.

The measure is opposed by AARP, the American Lung Association of California, California Labor Federation AFL-CIO, California League of Conservation Voters, California National Organization for Women, California Nurses Association, California Professional Firefighters Association, California Public Interest Research Group, Congress of California Seniors, Consumer Action, Consumer Federation of California, Consumer for Auto Reliability and Safety, Consumers Union, Ecological Rights Foundation, Environmental Advocates, Environmental Law Foundation, Foundation for Taxpayer and Consumer Rights, Gray Panthers California, Health Access, Identity Theft Resource Center, Mexican American Legal Defense and Educational Fund, Physicians for Social Responsibility, Sierra Club of California, Trauma Foundation, and United Farm Workers, among many others.

PROPOSITION 65: LOCAL GOVERNMENT FUNDS, REVENUES. STATE MANDATES. Initiative Constitutional Amendment. – COUNTY POSITION: NONE

Proposition 65 is the initiative local government sponsored to protect local revenues and reform State mandates. Its provisions are similar to those of Proposition 1A except that Proposition 65 would prevent a major component of the FY 2004-05 Budget Agreement (a \$1.3 billion property tax shift in Fiscal Years 2004-05 and 2005-06) from taking effect unless approved by the voters at the next Statewide election. When Governor Schwarzenegger and the Legislature agreed to put Proposition 1A on the ballot, the Governor and local governments agreed to formally oppose Proposition 65. Proposition 1A specifically states that if both propositions are approved by the voters and Proposition 1A receives more yes votes, none of the provisions of Proposition 65 will go into effect.

There is no registered support or opposition to Proposition 65.

PROPOSITION 66: LIMITATIONS ON "THREE STRIKES" LAW. SEX CRIMES. PUNISHMENT. Initiative Statute. – COUNTY POSITION: NONE

Proposition 66 will amend the "three strikes law" by limiting the types of offenses that may constitute a strike to a serious or violent felony, redefines serious or violent felony, requires "strikes" to be tried separately, allows for re-sentencing of those convicted under the old law, and increases the punishment for sex crimes against children.

Current three strikes law was adopted by the voters in 1994 and imposes longer prison terms for those convicted of any felony and who has been previously convicted of one or more violent or serious felonies. For second strike offenses, if the first offense was a serious or violent felony, the sentence is twice the term otherwise required under law. For third strike offenses, where there are two or more prior convictions of serious or violent felonies, the sentence for the new conviction is life in prison with the minimum term being 25 years. Under Proposition 66, an offender would be subject to an enhanced sentence only if the new conviction was for a serious or violent felony.

Proposition 66 reduces the list of serious or violent felonies by deleting attempted burglary, conspiracy to commit assault, nonresidential arson resulting in no significant injuries, threats to commit criminal acts that would result in significant personal injury, burglary of an unoccupied residence, interfering with the trial witness without the use of force or threat and not in the furtherance of a conspiracy, participation in felonies committed by a criminal street gang, and unintentional infliction of significant personal injury while committing a felony.

To be counted as a strike, Proposition 66 requires eligible offenses to be tried separately. If multiple, qualified felony offenses are tried in the same trial, the offender would receive only one strike.

Under Proposition 66, the State would be required to re-sentence offenders currently serving a life sentence under the current three strikes law if their third strike was a conviction for a nonviolent and non-serious felony as defined in Proposition 66. Re-sentencing must occur no later than 180 days after this measure takes effect.

Also, Proposition 66 increases the prison sentence from 3, 6, or 8 years to 6, 8, or 12 years for first convictions of sexual penetration or oral copulation with a minor who is under the age of 14 and is more than 10 years younger than the offender. If the victim is under the age of 10, the district attorney may seek imprisonment of 25 years to life, and a second conviction mandates a 25 years to life sentence.

According to the LAO, Proposition 66 will reduce the State's current prison population by increasing the requirements to qualify for three strikes enhanced sentencing, re-sentencing qualified prisoners, and by reducing the number of crimes that are considered to be a serious or violent felony. The LAO estimates that there are 42,000 prisoners sentenced under the three strikes law, 35,000 for a second strike and 7,000 for a third strike. The LAO estimates that State savings would be in the tens of millions

of dollars in the first couple of years, growing to as much as several hundred millions of dollars when the full impact is realized in about 10 years.

The LAO further estimates the cost to counties will increase tens of millions of dollars because re-sentencing will increase local case loads, local jails would house inmates during the proceedings, some offenders released from prison will be subsequently prosecuted and convicted for new crimes, and some offenders who would have been sentenced to State prison will be sentenced to jail.

According to the LAO, proponents of Proposition 66 claim that it will restore the intent of the three strikes law which was to lock up only repeat violent offenders. Proposition 66 will also save tax payers hundreds of millions of dollars, and protect children by stopping child molesters with a "1 strike" enhanced sentence. Opponents claim that California's crime rate has decreased by twice the national average since voters approved "three strikes." They estimate that the State has saved \$28.5 billion due to the decrease in crime.

The Public Defender's office supports Proposition 66 because it will place the level of punishment commensurate with an individuals' culpability. It is their position that under the current three strikes law, any third felony conviction can trigger a 25 year to life sentence if two previous convictions were for a serious or violent felony, meaning that the last felony, though it be minor compared to prior convictions, will result in a disproportionately heavy sentence. Also, it is their position that Proposition 66 removes various felonies from the list of serious or violent felonies that are not truly serious or violent, such as burglaries of unoccupied houses or criminal threats which are not carried out.

The District Attorney (DA) opposes Proposition 66 because it will destroy the effectiveness of the three strikes law, an effective tool to punish repeat criminal offenders who have been convicted of serious and violent felonies. The DA further indicates that it makes more sense to amend the law to make the gravity and nature of the current offense a key element in determining a three strikes prosecution. The Sheriff also opposes Proposition 66 because it will diminish the effect of the three strikes law, create an immediate strain on the jail population when State inmates are returned for re-sentencing, and put repeat offenders back on the streets.

Proposition 66 is supported by 168 individuals and organizations including the ACLU, Americans for Democratic Action, Asian Law Alliance, California Peace and Freedom Party, California Public Defenders Association, Center for Children and Incarcerated Parents, National Black Police Association, National Council on Crime and Delinquency, Reform Party of California, SEIU Local 660, Southern California District Council of Laborers, Teamsters Local 63, UFCW Local 770, numerous Democratic clubs and central committees, a number of chambers of commerce, and others.

It is opposed by 232 individuals and organizations including Governor Arnold Schwarzenegger, 57 District Attorneys (including the Los Angeles County District

Attorney), 48 sheriffs (including the Los Angeles County Sheriff), 44 police chiefs, 42 legislators, and a number of organizations including the California Coalition of Law Enforcement Associations, Peace Officers Research Association of California, California State Sheriffs' Association, California Police Chiefs Association, California Sexual Assault Investigators' Association, Chicano Correctional Workers Association, Fatherless Children Foundation, Mothers Against Gang Violence, Victims of Violent Crime, and others.

PROPOSITION 67: EMERGENCY MEDICAL SERVICES. FUNDING. TELEPHONE SURCHARGE. Initiative Constitutional Amendment and Statute. – COUNTY POSITION: **SUPPORT**

Proposition 67 would increase the surcharge on telephone calls made within California to fund 911 emergency dispatch, emergency rooms, trauma centers and emergency doctors. If enacted, the initiative would be effective January 1, 2005.

Under current law, the State imposes a surcharge on each monthly telephone bill, including mobile telephones, and the revenues are deposited into the State Emergency Telephone Number (911) Account. The 911 Account is used to reimburse government agencies and telephone companies for equipment and related costs associated with the California 911 system. This surcharge is applied to all charges for intrastate telephone calls, and has a floor of 0.5 percent and a cap of 0.75 percent. Each year, the California Department of General Services determines the surcharge rate based on an estimate of the costs of the California 911 system. The current surcharge rate is 0.72 percent, and does not apply to lifeline telephone service or coin-operated telephones. The surcharge is collected via monthly telephone bills and generated an estimated \$132.5 million in 2003-04. Over the past number of years, increases in 911 Account revenues have been attributable to increased mobile telephone usage.

Proposition 67 would increase the 911 surcharge by 3 percent on telephone calls made within California. The measure would cap the cost of the overall surcharge for residential telephone customers at a maximum of 50 cents per month and exempt those who receive lifeline telephone service. There is no cap on mobile or commercial telephone users.

In its most recent analysis, the Legislative Analyst's Office (LAO) estimates that the increase in the surcharge would generate about \$500 million annually which would probably increase in future years. The revenue would be allocated as follows: 60 percent (\$300 million) to emergency and trauma hospital services, 30.5 percent (\$153 million) to emergency and trauma physician services, 5 percent (\$25 million) to community clinics which provide urgent and primary care services, 3.75 percent (\$19 million) to emergency and trauma first responders and paramedics, and 0.75 percent (\$4 million) to the existing 911 Account. The funding for hospital, physician, and clinic services would reimburse the costs of care rendered to uninsured and underinsured patients, and the funding for first responders is targeted for training and equipment.

The Department of Health Services (DHS) indicates that Proposition 67 will help to address the emergency medical services crisis by: 1) increasing funding to overcrowded emergency departments to help them meet the growing demand for emergency care; 2) helping to fund community clinic care for the uninsured, which would provide some relief for emergency department overcrowding; 3) reimbursing emergency physicians and "on-call" specialists for uncompensated care, which will help to ensure that physicians continue to participate on "on-call" panels and provide emergency medical services; 4) providing funds to train more paramedics and equip Advanced Life Support units to ensure timely pre-hospital care to all parts of the County; and 5) helping the County-operated hospitals continue as the healthcare "safety net" by ensuring a steady funding stream for indigent and uninsured care.

Historically, the County has supported emergency medical and trauma care funding. The County sponsored Measure B in 2002, which raised property taxes for emergency and trauma care, and SB 726 (Romero), which would have provided the County with the authority to pursue a local alcohol tax for similar purposes. The County's State Legislative Agenda adopted by the Board on December 16, 2003, includes the following policy statements: 1) reaffirm the County's commitment to the trauma care system in Los Angeles County, and continue to work with the statewide coalition to seek a continuation of State funding for trauma centers, and 2) support measures to provide permanent, stable funding for the County's public and private emergency and trauma care system.

Proposition 67 is sponsored by the Coalition to Preserve Emergency Care which includes the California Medical Association, the California Primary Care Association, and the American College of Emergency Physicians. It is supported by over 230 organizations including the California Professional Firefighters, California Emergency Nurses Association, California Chapter of the American College of Emergency Physicians, American Lung Association, California State Firefighters Association, Gray Panthers, AIDS Prevention Action Network, California Psychiatric Association, Latino Health Access, Planned Parenthood Affiliates of California, Trauma Foundation, Asian Health Services, Community Clinic Association of Los Angeles County, Los Angeles County Medical Association, and the Watts Healthcare Corporation; over 50 elected officials including United States Congressperson Hilda Solis, California State Senators Gloria Romero and Gilbert Cedillo, California State Assembly Members Jackie Goldberg and Paul Koretz, and Los Angeles County Supervisors Gloria Molina and Zev Yaroslavsky; and hundreds of individual physicians.

The measure is opposed by eight taxpayer advocates including the California Taxpayers Association and the Howard Jarvis Taxpayers Association; 17 organizations or individuals representing law enforcement including the California State Sheriffs' Association, the California Chapter of the National Emergency Number Association, and Los Angeles County Sheriff Lee Baca; 23 individual physicians including Assembly Member Keith Richman; three consumer groups including Americans for Competitive Telecom, Congress of California Seniors, and Consumers First; 65 business groups including the California Chamber of Congress, California Black Chamber of Commerce,

and the California Small Business Roundtable; six civic organizations including the California Democratic Party, California National Association for the Advancement of Colored People and the California Republican Party.

On October 12, 2004, the Board of Supervisors voted to support Proposition 67.

PROPOSITION 68: NON-TRIBAL COMMERCIAL GAMBLING EXPANSION. TRIBAL GAMING COMPACT AMENDMENTS. REVENUES, TAX EXEMPTIONS. Initiative Constitutional Amendments and Statute. – COUNTY POSITION: NONE

Proposition 68, also known as "The Gaming Revenue Act of 2004", is aimed at increasing government revenue from gaming either by requiring existing California Indian casinos to contribute specified earnings or allowing the expansion of gambling in existing non-Indian casinos and horse racing tracks subject to specified taxes.

Proposition 68 would guarantee continuation of the constitutional monopoly on slot machines for existing California Indian casinos in exchange for an agreement to contribute 25 percent of slot machine revenue to the Gaming Revenue Trust Fund (GRTF). If all California Indian casinos do not agree to the terms and conditions of the proposed Gaming Revenue Act, then eleven existing card casinos and five horse racing tracks would be authorized to operate 30,000 slot machines on their premises in exchange for a 33 percent tax on slot machine annual gaming revenue. According to the LAO, this measure would result in an increase in new revenues of over \$1 billion annually to be distributed to local governments to increase funding for firefighting, police, and child protective services.

Agreement with Indian Casinos: Proposition 68 would require that all tribes with compacts agree to pay 25 percent of their "net win" to the GRTF and comply with certain State laws, including laws governing environmental protection, workplace, gaming regulation, and political campaign contributions. Net win is defined as the wagering revenue from all gaming machines operated by a tribe after prizes are paid out, but prior to the payment of operational expenses. A tribe would also report its net win to the State Division of Gambling Control and pay for an annual audit of its operations. All compact tribes would be required to agree to the terms of this measure within 90 days of its passage.

Distribution of Gaming Revenues: The initiative establishes a board, comprised of five members appointed by the Governor, to administer the GRTF. Of the estimated \$1 billion, up to 1 percent of the funds would be used for administration costs of the initiative (\$10 million annually), \$3 million annually would go to responsible gambling programs and approximately \$84 million annually would be given to the 70 non-gaming tribes to ensure that each tribe receives at least \$1.2 million annually from the GRTF and the existing Revenue Sharing Trust Fund which currently provides funds to non-gaming tribes. A non-gaming tribe is a federally recognized Indian tribe which operates fewer than 350 gaming devices.

The balance of the funds, estimated to be \$903 million, would be distributed to local governments as follows with the stipulation that these funds could not replace those already being used for the same purpose:

County Offices of Education: 50 percent to county offices of education to provide services for abused and foster care children (~~\$452 million annually statewide~~). The funds would be distributed according to each county's proportionate share of the annual statewide total of child abuse referral reports for the prior calendar year with the goal of improving educational outcomes of abused and neglected children and children in foster care. Each county office of education would be required to allocate these funds to county child protective services agencies to provide these services.

Of the estimated \$452 million distributed to county offices of education statewide, the County Department of Children and Family Services (DCFS) would receive approximately \$131 million annually for: 1) out-stationing county child protective services social workers in schools; 2) providing appropriate caseloads to ensure that professional staff will have sufficient time to provide services necessary to improve the educational outcomes of abused and neglected children and children in foster care; 3) providing services to children in foster care to minimize mid-year transfers from school to school; and 4) hiring juvenile court workers whose responsibility it is to ensure the implementation of court orders issued by juvenile court judges affecting a foster child's educational performance.

DCFS would be subject to educational accountability standards, including performance measured by the percentage of children at grade level on standardized tests, and would be required to use the funds in a manner that maximizes the County's ability to obtain federal matching dollars for services to children in the child protective services system.

Local Law Enforcement: 35 percent to local governments on a per capita basis for additional sheriffs and police officers (\$316 million annually statewide). Of the estimated \$316 million, approximately \$95 million would be allocated within Los Angeles County. The Sheriff's Department could expect to receive approximately \$10 million annually for additional deputies in the unincorporated area. The remaining \$85 million would be distributed among the County's 88 incorporated cities on a per capita basis. By contract, the Sheriff provides law enforcement services to 40 cities and may indirectly receive an additional \$15.9 million for deputies providing services to contract cities.

Local Fire Prevention: 15 percent to local governments on a per capita basis for additional firefighters (\$135 million annually statewide). Of the estimated \$135 million, approximately \$41 million would be allocated within Los Angeles County. The Fire Department could expect to receive approximately \$4.2 million annually for additional firefighters in the unincorporated area. The remaining \$36.8 million would be distributed among the County's 88 incorporated cities on a per capita basis. By contract, the Fire Department may indirectly receive an additional \$11.8 million for firefighters providing services to contract cities.

No Tribal Agreement: If all tribes do not agree to the measure's requirements, the measure allows up to 30,000 slot machines at certain existing card rooms and horse racing tracks in Los Angeles, San Diego, Contra Costa, Alameda, Orange, and San Mateo Counties. The measure would allow the sale or sharing of slot machine licenses in certain circumstances and makes permanent the limit on the expansion of both the number of card rooms and the size of existing card rooms, which is due to expire in January 2010 under current law.

Owners of authorized gambling establishments would pay 30 percent of the net win from their gaming machines to the GRTF. These payments would be in lieu of any taxes or fees enacted after September 1, 2003. An owner would report its net win to the State Division of Gambling Control and pay for an annual audit of its operations. In addition, affected horse racing tracks would be required to pay on an ongoing basis an additional 20 percent of the net win on their slot machines to be used to benefit the horse racing industry, including the increase of race purses.

The distribution of funds without a tribal agreement is the same as the distribution with a tribal agreement, with \$10 million allocated for administration costs, \$3 million for responsible gambling programs and approximately \$84 million for the 70 non-gaming tribes. The distribution of the balance of the funds (approximately \$903 million) would be the same as well, except that in addition to these funds being distributed to county offices of education (50 percent), local law enforcement (35 percent) and local fire prevention (15 percent), authorized gambling establishments would also pay 2 percent of their net win to the city and 1 percent to the county in which the establishment is located.

Of the possible 30,000 additional slots allowed under this initiative without a tribal agreement, it is estimated that 16,000 would be in Los Angeles County. Based on the \$400 net win per slot per day estimate provided by a publicly traded gaming company, the 1 percent net win to the County would generate an estimated \$1.92 million per month (\$23 million per year) to the County in discretionary revenue. These discretionary funds, which would only be received without a tribal agreement, would be due to the County on a monthly basis.

If Proposition 68 passes (and receives more affirmative votes than Proposition 70) and all the existing tribes agree to contribute 25 percent of their net win to the GRTF, the County would receive an estimated total of \$145.2 million annually for child protective services (\$131 million), sheriff deputies (\$10 million) and firefighters (\$4.2 million). In addition, the Sheriff and Fire Department may indirectly receive an additional \$15.9 million and \$11.8 million respectively for deputies and firefighters provided to contract cities.

If all the existing tribes do not agree to the measure's requirements, the measure would allow for an expansion of gambling that would still provide the County with the estimated total of \$145.2 million annually for child protective services, sheriff deputies and firefighters. In addition to this amount, the County would receive an estimated

\$23 million annually in discretionary revenue because of the requirement for non-Indian establishments to contribute 1 percent of their net win to the county in which it is located. **Therefore, if Proposition 68 passes (and receives more affirmative votes than Proposition 70) and there is no agreement with the tribes, the total estimated annual revenue to the County would be \$168.2 million (\$145.2 million restricted/\$23 million discretionary).** In addition, the Sheriff and Fire Department may indirectly receive an additional \$15.9 million and \$11.8 million respectively for deputies and firefighters provided to contract cities.

Proposition 68 is sponsored by Sacramento County Sheriff Lou Blanas and Los Angeles County Sheriff Lee Baca and is supported by Roy Burns, President of the Association of Los Angeles County Deputy Sheriffs (ALADS).

This measure is opposed by Governor Arnold Schwarzenegger, the California Police Chiefs Association, California State Firefighters' Association, California District Attorneys Association, California State Association of Counties, more than 50 California Indian Tribes, State Treasurer Phil Angelides, State Controller Steve Westly, Sierra Club California, California Taxpayer Protection Committee and 34 County Sheriffs across the State.

PROPOSITION 69: DNA SAMPLES. COLLECTION. DATABASE. FUNDING.
Initiative Statute. – COUNTY POSITION: **NONE**

Proposition 69 would expand DNA sample collection from those convicted of a serious felony to collecting samples from all convicted felons and some non-felons. It requires timely collection of samples, raises existing criminal penalties to fund sample collection, and makes it a felony to tamper with a DNA sample or thumb or palm print impression.

Specifically, Proposition 69 requires sample collection from adults and juveniles convicted of any felony, adults and juveniles convicted of any sex offense or arson, attempted sex offense or arson, and adults arrested for or charged with felony sex offenses, murder or voluntary manslaughter or attempted felony sex offenses, murder or voluntary manslaughter. Starting in 2009, adults arrested for or charged with any felony offense will have to provide DNA samples.

Proposition 69 requires local law enforcement personnel to collect a sample of inner cheek cells of the mouth in addition to the right thumbprint and full palm print of each hand, immediately following either arrest or conviction. Also, the Department of Justice (DOJ) must contract with public or private laboratories to process samples that it has not analyzed within six months. The DOJ and California Department of Corrections would be required to publish and place on their Web site a quarterly progress report on processing of DNA samples.

Under Proposition 69, funding for the sample collection will come from levying an additional \$1 for every \$10 in penalties assessed by the court upon conviction, with revenues being shared between the State and local governments. The State would

receive 70 percent of the revenue for the first two years, 50 percent in the third year, and 25 percent every year thereafter. Local governments may use this revenue to collect, analyze, track, process and store crime scene samples. The revenue may also be used for purchasing software, equipment and related administrative costs. To provide start-up funds to the DOJ, Proposition 69 requires a General Fund loan of \$7 million which is to be repaid with interest within four years and will come from the revenue realized from the 10 percent levy.

Proposition 69 makes it a felony punishable by 2, 3 or 4 years in prison for a person who is required to provide DNA samples or thumb or palm prints, to tamper with or attempt to tamper with such sample print.

According to the LAO, Proposition 69 would result in net State costs of several million dollars initially, increasing to \$20 million annually when costs are fully realized in 2009-2010. The LAO states that it is likely that there will be no net costs to local governments on a statewide basis because the cost will be offset by the levy. To the extent expanded DNA collection results in increased investigations and prosecutions, and higher rates of incarceration, there would be an unknown increase in costs to State and local governments. It may also lead to unknown State and local savings by identifying individuals who have been falsely accused and imprisoned, and who are subsequently released.

The District Attorney and the Sheriff support Proposition 69 because it would expand DNA technology to its maximum potential. The nonpartisan initiative, drafted by public safety experts, would help solve crime, stop serial rapists and killers, and free those wrongfully accused.

The Public Defender opposes Proposition 69 due to anticipated costs, undue burdens, constitutionality, and threat to civil liberties. The Public Defender notes that many of the defendants are poor or indigent and will not pay fines and penalties, therefore the revenues may be overstated. The Public Defender also notes that the cost estimate assumes that the sample taking will be successful the first time and does not include subsequent re-testing and analysis. Also, defense costs incurred in case preparation such as obligatory challenges to the constitutionality of this statute and motions for expungement of profiles wrongly included in the database, are not included in the cost analyses.

The Public Defender identified three possible constitutional challenges: 1) the petition to expunge the data may be denied, leaving the data in the database unconstitutionally; 2) the data-base searches of persons without particular suspicion that a person committed a crime may not be useable for solving past crimes; and 3) there may be a problem with a defendant's right to discovery of evidence which could be barred due to the protocols of protecting the confidentiality of the data base. Civil liberty concerns include collecting a sample from an arrested individual who is legally presumed

innocent, the propriety of maintaining personal information in a data bank, and searching the database for similar profiles that may subject innocent people to police scrutiny.

Proposition 69 is supported by 165 organizations, district attorneys, police chiefs, sheriffs, elected officials, and community leaders including Governor Arnold Schwarzenegger, California District Attorneys Association, numerous law enforcement organizations, Memory of Victims Everywhere, National Association of Jewish Women Los Angeles, YWCA of Greater Los Angeles, and others.

It is opposed by 15 organizations including various chapters of the ACLU, Privacy and Freedom Center, California Labor Federation, AFL-CIO, California State Conference of the NAACP, Children's Defense Fund, Center on Juvenile and Criminal Justice, National Black Police Association, Youth Law Center, and others.

PROPOSITION 70: TRIBAL GAMING COMPACTS. EXCLUSIVE GAMING RIGHTS. CONTRIBUTIONS TO STATE. Initiative Constitutional Amendment and Statute. COUNTY POSITION: NONE

Proposition 70, also known as "The Indian Gaming Fair-Share Revenue Act of 2004", grants exclusive gaming rights on Indian land, requires Indian tribes to contribute a portion of gaming revenues to the State, expands the authorized types of gambling that tribes can offer in their facilities, and removes any restrictions on the number of slot machines and facilities a tribe can operate. Proposition 70 differs from Proposition 68 in several ways, which are discussed below.

Proposition 70 would amend the State Constitution and State law to require the Governor to offer renewable 99-year gaming compacts to federally recognized Indian tribes by amending existing tribal compacts or entering into a new compact within 30 days of a tribe's request. The new or amended compact would have to include certain provisions, as follows:

New Gaming Revenues. Tribes entering into a new or amended compact would pay the State a percentage of their net income from gaming activities, equivalent to the 8.84 percent corporate tax rate paid by private business. The measure is silent on whether the corporate treatment includes all deductions from income available to corporations. These payments would be in lieu of any other fees, taxes, or levies that may be charged by the State, cities, or counties against the tribes on their authorized gaming activities. There would be no restriction on the State's use of these revenues. If the tribes lose their exclusive right to conduct gaming in California, they would not be required to make these payments to the State. Proposition 70 would not affect the existing requirement for gaming tribes to contribute to the Revenue Sharing Trust Fund, which provides funds to non-gaming tribes.

Expansion of Gaming. Most tribes signed their current compacts in 1999 which allows them to operate up to 2,000 slot machines and two facilities. In exchange, tribes make some payments to the State which can only be used for specified purposes (such as for making payments to tribes that either do not operate slot machines or operate fewer than 350 machines). These compacts will expire in 2020.

In the summer of 2004, five tribes signed amendments to their 1999 compacts which allow them to operate as many slot machines as they desire. In exchange, these tribes make a specified payment annually to the State, with additional payments for each slot machine added to their facilities. Unlike the payments required by the 1999 compacts, the State can use these payments for any purpose.

Tribes can engage in lottery and banked card games, such as twenty-one. However, games such as craps and roulette are prohibited. Proposition 70 would expand the types of authorized games to include roulette, craps, and any other form of casino gaming. The existing limitation on the number of slot machines and facilities a tribe can operate would be eliminated, and there would be no limit on the size of gaming facilities that each tribe may establish and operate provided that each and every gaming facility must be owned by the tribe and operated only on Indian lands.

Legislative Approval of Compacts. Proposition 70 would establish two separate compact approval processes: one for new compacts and one for amendments to existing ones. Under Proposition 70, any *new* compact would be submitted to the Legislature within 15 days of the conclusion of negotiations and the Legislature would have 30 days to reject the compact, which requires a two-thirds vote of both houses. If the Legislature does not act within this period, the compact would go into effect. New compacts could incorporate additional terms or restrictions upon the tribes as a condition for compact approval. However, an amendment to an *existing* compact would not require approval by the Legislature, and could not require the tribe to agree to other terms, conditions, or restrictions as a condition for amending the compact, except as provided for by the initiative.

Environmental Impact Reports. As required under the current compacts, any tribe entering a compact under this measure would be required to prepare an environmental impact report analyzing the impact of any new, or expansion of, a tribal gaming facility on the surrounding area.

The tribe must provide public notice and public comment opportunities before significant expansion or construction of gaming facilities, and consult with local governmental officials on mitigation of significant adverse off-reservation environmental impacts and to make good-faith efforts to mitigate these impacts.

Inconsistency with Other Ballot Measures. Proposition 68, which is summarized above, would conflict with Proposition 70 in several ways. For example, Proposition 68 requires tribes with compacts to contribute 25 percent of their net win to local governments in exchange for continuation of the constitutional monopoly on slot

machines for existing California Indian casinos. Proposition 68 also requires the tribes to comply with certain State laws, including those governing environmental protection, workplace, gaming regulation, and political campaign contributions. In contrast, Proposition 70 requires tribes to pay to the State the percentage of net income equivalent to the 8.84 percent corporate tax rate, and does not impose any additional legal requirements on the tribes. **Since both measures have qualified for the November ballot, only the one receiving the most votes would be enacted should they both be adopted by the voters.**

State Fiscal Effect. According to the LAO, Proposition 70 could generate several hundreds of millions of dollars annually in discretionary revenue for the State assuming the nearly 9 percent tax rate on profits. As gaming revenues increase, tribes add gaming machines and tables, and additional tribes sign compacts, these payments to the State could increase significantly. These revenues would be partially offset to the extent that any new gaming activities replaced other forms of gaming currently available in California, such as the lottery and horse racing.

Effect on Local Governments. Since Proposition 70 would provide discretionary revenue for the State, local governments would not benefit directly as they would from Proposition 68. Proposition 68 would provide local governments approximately \$452 million annually statewide for services to abused and foster care children, \$316 million for additional sheriffs and police officers, and \$135 million for additional firefighters.

However, local governments could benefit from Proposition 70 if associated spending increased the amount of taxable economic activity in California. For example, development near Indian lands such as hotels or restaurants would be subject to State and local taxes but the magnitude of any such increase in economic activity is unknown but potentially significant. In addition, local governments could experience unknown, but potentially significant increases in costs associated with gambling, such as for law enforcement and infrastructure.

Proposition 70 is sponsored by Richard Milanovich, Tribal Chairman of the Agua Caliente Band of Cahuilla Indians.

The measure is opposed by Governor Arnold Schwarzenegger, California District Attorneys Association, California Senior Action Network, California State Association of Counties, California Taxpayers' Association, and the California Peace Officers' Association.

PROPOSITION 71: STEM CELL RESEARCH. FUNDING. BONDS. Initiative Constitutional Amendment and Statute. – COUNTY POSITION: **SUPPORT**

Proposition 71 would authorize the issuance of \$3 billion in State general obligation bonds to fund stem cell research and research facilities in California. It would give priority to research on two types of stem cells: 1) embryonic cells which can form any

kind of cell found in adults; however, they cannot result in development of an embryo; and 2) cells without a particular function which generate cells that can become specialized and take the place of those that die or are lost. The measure would establish a new State institute, the California Institute for Regenerative Medicine (Institute), to issue grants and loans for these purposes and to provide oversight of stem cell research activities funded by the measure.

The Institute would be responsible for establishing regulatory standards for stem cell research and development of facilities. It would be governed by a 29 member Independent Citizen's Oversight Committee (ICOC) representing University of California campuses at San Francisco, Davis, San Diego, Los Angeles, and Irvine; another public or private California university; nonprofit academic and medical research institutions; companies developing medical therapies; and disease research advocacy groups. ICOC working groups would focus on awarding grants or loans for research projects and the development of research facilities; and establishing scientific, medical, and ethical standards for conducting stem cell research.

A six-member California Stem Cell Research and Cures Act Finance Committee would also be established to authorize the issuance and sale of the general obligation bonds. The Committee would be comprised of the State Treasurer, Controller, Director of Finance, the chairperson of the Institute, and two representatives of the ICOC.

Proposition 71 would limit the issuance of these bonds to no more than \$350 million per year. It would require that any funding needed for bond-related costs would be deducted before bond proceeds were allocated for other purposes. Up to 3 percent of the remaining proceeds could be spent for general administrative costs of the Institute, and up to an additional 3 percent would be available to the Institute for direct grant activities. The remaining funds could be used only for grants and loans for research and research facilities. Priority for research grant funding would be given to stem cell research meeting the Institute's criteria and found unlikely to receive Federal funding. The Institute would be prohibited from funding research into human reproductive cloning. Up to 10 percent of the total available for grants and loans could be used to build scientific and medical research facilities for nonprofit entities within the first five years of implementation.

The LAO estimates that the measure will result in State costs of about \$6 billion over 30 years to pay off both the principal (\$3 billion) and interest (\$3 billion) on the bonds, with payments of approximately \$200 million per year. State revenue from patents, royalties, and licenses resulting from the research funded by the Institute could be significant. The LAO further indicates that, to the extent that the measure results in economic and other benefits, such as gains in jobs and taxable income due to added research activity and associated investments, it could produce indirect State and local revenue gains and cost savings.

Proponents of Proposition 71 contend that stem cell research has the potential to provide cures for diabetes, cancer, heart disease, Alzheimer's disease, multiple sclerosis, HIV/AIDS, Parkinson's disease, ALS, osteoporosis, spinal cord injuries, and many other devastating medical conditions. However, political roadblocks have severely limited Federal funding for some of the most promising areas of this field of medical research. Currently, California has no effective mechanism to fund stem cell research. Proposition 71 would provide an affordable solution that closes this critical research funding gap.

Opponents charge that Proposition 71 suffers from several fiscal, bureaucratic, scientific, and moral/ethical problems. California is in the midst of a huge budget deficit to which this measure would add \$6 billion to fund questionable research and special interest groups. The measure specifically funds research using human embryos, which is currently banned from Federal funding because of ethical and moral issues. Despite the Federal ban, much research has already been done using embryonic cells from mice and humans. The promise of the research has yet to be demonstrated.

According to the County Department of Health Services, because of the Federal limitations on stem cell research, the full potential of this research is not being realized. With funds from Proposition 71, California has the opportunity to take a leadership role throughout the country, not only in basic research related to stem cells, but in the commercial application of this technology in human patients. In addition to the prospect of medical advances in Type 1 diabetes, spinal cord injury, Parkinson's Disease, macular degeneration and glaucoma, hematologic cancers, and other diseases, stem cell research can enhance the economic vitality of California through creating commercial opportunities for existing and new businesses. Los Angeles County is home to many well known academic institutions, independent research institutes, and hospitals, which would be likely to participate in such research.

Proposition 71 is endorsed by a coalition comprised of disease and patient advocacy organizations, medical groups and hospitals, 21 Noble Prize winners, medical researchers and scientists, community organizations, senior advocacy organizations, religious organizations, business groups, and California elected officials and governmental organizations including the following:

The ALS Therapy Development Foundation, Alliance for Aging Research, California Council of the Alzheimer's Association, American Diabetes Association, American Parkinson's Disease Association of Los Angeles, Cancer Research and Prevention Foundation, Christopher Reeve Paralysis Foundation, International Society for Stem Cell Research, Juvenile Diabetes Foundation, Late Onset Tay-Sachs Foundation, Leukemia and Lymphoma Society, Michael J. Fox Foundation for Parkinson's Research, National Brain Tumor Foundation, Cystic Fibrosis Research Inc., Elizabeth Glaser Pediatric AIDS Foundation, and the Sickle Cell Disease Foundation, American Nurses Association of California, Auxiliary to the National Medical Association, California Medical Association, Cedar-Sinai Health System, National Coalition of Hispanic Organizations, Congress of California Seniors, Gray Panthers of California,

Hadassah, Women of Reform Judaism, California Church IMPACT, Biotechnology Industry Organization, California Healthcare Institute, Los Angeles Chamber of Commerce, San Francisco Board of Supervisors, Senator Richard Alarcon, State Treasurer Phil Angelides, Congressman Howard Berman, Congresswoman Jane Harman, Congresswoman Diane Watson, Los Angeles County Supervisors Yvonne B. Burke and Zev Yaroslavsky, State Senators Gilbert Cedillo, Martha Escutia, Sheila Kuehl, Deborah Ortiz, Gloria Romero, Nell Soto, Los Angeles City Council Members Alex Padilla, Bernard Parks, and Wendy Gruel, and West Hollywood Mayor John J. Duran, among many others.

It is opposed by Doctors, Patients and Taxpayers for Fiscal Responsibility which includes the following individuals: Dr. Vincent Fortanasce, Dr. H. Rex Greene, Diane Beeson, PhD., Judy Norsigian of Our Bodies Ourselves, Thomas N. Hudson of the California Taxpayer Protection Committee, Lewis K. Uhler of the National Tax Limitation Committee, Mr. and Mrs. James L. Barrett, Dr. John B. Bjornstrom, former Assembly Member Tom J. Bordonaro, Jr., Art Croney of Responsible Citizens Inc., Jack Frost of the Center for Bioethics and Culture, Wesley J. Smith, Joni Eareckson Tada, and Carol Hogan of California Catholic Conference.

On August 10, 2004, the Board of Supervisors voted to support Proposition 71.

PROPOSITION 72: HEALTH CARE COVERAGE REQUIREMENTS. Referendum.
COUNTY POSITION: NONE

Proposition 72 is a referendum on County-supported SB 2 (Burton and Speier), which, beginning in 2006, would require large and mid-sized employers to provide health benefits for their employees or contribute to a statewide purchasing pool. It would also establish a program to assist lower-income employees with paying their share of health care premiums. SB 2 would have gone into effect on January 1, 2004; however, Proposition 72 subsequently qualified for the General Election ballot. As a result, SB 2 will take effect only if Proposition 72 is approved by the voters in the November 2, 2004 election.

SB 2 would generally apply to both private and public employers, including State government, counties, cities, special districts, and school districts. Because Federal law has been interpreted by the courts to prohibit states from requiring certain employers to provide health insurance coverage to their employees, it is possible that the provisions of SB 2 could be challenged in court.

The measure would require employers of 200 or more employees to provide health benefits for employees and dependents starting on January 1, 2006. Employers of 50 to 199 employees would be required to provide health benefits for employees only, starting on January 1, 2007. Employers of 20 to 49 employees would be required to provide health benefits for employees only if the California legislature enacts a tax credit to subsidize their costs. These employers are currently exempt from the provisions of SB 2, as are employers of 19 or fewer employees.

Employees would be required to make a contribution of up to 20 percent of the amount of the fee charged by the State to their employer. Low-income employees, defined as earning less than 200 percent of the Federal poverty guidelines, would have their contributions capped at 5 percent of their wages. In addition, employees could also be charged deductibles, co-payments, or co-insurance payments as determined by the State.

SB 2 creates the State Health Purchasing Program to purchase health care coverage for eligible California employees of employers who opt to pay a fee instead of arranging for health insurance. The coverage would have to meet existing State standards for health insurance, such as the inclusion of hospital and primary care, and would also include coverage for prescription drugs. SB 2 would also establish a program to pay the premiums for health coverage provided through the workplace for low-income employees who are eligible for Medi-Cal or the Healthy Families Program.

According to the LAO, health care researchers have estimated that SB 2 could eventually result in more than 1 million uninsured employees and dependents receiving health care coverage. However, there are many uncertainties surrounding the bill, including: 1) how some provisions will be implemented by State and local officials and interpreted by the court; 2) the proportion of employers who will choose to participate in the State Health Purchasing Program; and 3) how the health insurance marketplace will respond to the new law with products and prices offered to purchasers of care. Because of these uncertainties, the LAO concludes that it is impossible to determine the resulting savings or costs to the State or local governments.

The County Department of Health Services indicates that passage of Proposition 72 would result in a decrease in the number of uninsured patients being treated in Los Angeles County's facilities, reducing the total cost to treat the uninsured and potentially resulting in an increase in available revenue.

Proposition 72 is supported by the American Lung Association of California, California Medical Association, California Nurses Association, California Physicians Alliance, California Primary Care Association, Health Access California, Insure the Uninsured Project, Consumer Federation of California, Consumers Union, AARP California, California Alliance for Retired Americans, Congress of California Seniors, Gray Panthers California, Older Women's League of California, Senior Action Network, California Federation of Teachers, California Teachers Association, American Civil Liberties Union of Southern California, Asian Pacific American Legal Center, American GI Council, California National Organization for Women, League of Women Voters of California, Los Angeles Coalition to End Hunger and Homelessness, National Immigration Law Center, Mexican American Legal Defense and Education Fund, Southern Christian Leadership Conference, American Federation of Government Employees, American Federation of State, County and Municipal Employees, American Federation of Television and Radio Artists, California Teamsters Public Affairs Council, International Brotherhood of Teamsters, Screen Actors Guild, and the United Farm Workers of America, AFL-CIO, among many others.

The measure is opposed by Governor Arnold Schwarzenegger, the California Association for Local Economic Development, California Attractions and Parks Association, California Automotive Wholesalers Association, California Building Industry Association, California Business Roundtable, California Chamber of Commerce, California Manufacturers and Technology Association, California Restaurant Association, California Farm Bureau Federation, Dairy Institute of California, El Segundo Chamber of Commerce, Long Beach Area Chamber of Commerce, Los Angeles Area Chamber of Commerce, Redondo Beach Chamber of Commerce, Thousand Oaks-Westlake Regional Chamber of Commerce, Torrance Chamber of Commerce, Vernon Chamber of Commerce, Westchester/LAX-Marina del Rey Chamber of Commerce, Goodwill Industries of Long Beach and South Bay, Los Angeles County Fair Association, Association of California School Administrators, California Association of Licensed Security Agencies, California Taxpayers Association, Howard Jarvis Taxpayers Association, Redondo Beach Councilmember Don Szerlip, Long Beach Councilmember Rob Webb, California Assisted Living Association, California Association of Homes and Services for the Aging, and over 280 businesses, among many others.

**COUNTY AND OTHER LOCAL JURISDICTION MEASURES APPEARING ON
PRIMARY ELECTION BALLOT –NOVEMBER 2, 2004**

COUNTY MEASURES (1)

- A** - Los Angeles County Public Safety, Emergency Response and Crime Prevention.

LOCAL JURISDICTION MEASURES (18)

- D** - **ALHAMBRA CITY** – Charter Amendment. Shall City Charter be amended to update election provisions related to Alhambra Unified School District?
- C** - **ALHAMBRA UNIFIED SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$85 million for specified school improvements.
- B** - **ALTADENA LIBRARY DISTRICT** – Shall City continue to levy special per-parcel tax to replace library funding?
- R** - **ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT** – Issuance of general obligation bonds in the amount of \$139 million for specified school improvements.
- E** - **BASSETT UNIFIED SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$23 million for specified school improvements.
- P** - **CUDAHY CITY** – Affirmation of utility user tax rates.
- J** - **EL MONTE CITY SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$50 million for specified school improvements.
- G** - **GARDENA CITY** – Adoption of ordinance to establish a redevelopment agency within City.
- Q** - **GARVEY SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$30 million for specified school improvements.
- K** - **HAWTHORNE CITY** – Adoption of ordinance pertaining to fireworks usage.
- H** - **HAWTHORNE SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$24 million for specified school improvements.
- L** - **HUNTINGTON PARK CITY** – Adoption of ordinance pertaining to community safety enhancements.

**COUNTY AND OTHER LOCAL JURISDICTION MEASURES APPEARING ON
GENERAL ELECTION BALLOT –NOVEMBER 2, 2004**

- O** - **LOS ANGELES CITY** – Issuance of general obligation bonds in the amount of \$500 million for storm water bond projects.
- M** - **MONTEBELLO UNIFIED SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$98 million for specified school improvements.
- N** - **SANTA MONICA CITY** – Increase in transient occupancy tax rates.
- S** - **SANTA MONICA COMMUNITY COLLEGE** – Issuance of general obligation bonds in the amount of \$135 million for specified school improvements.
- I** - **SOUTH WHITTIER SCHOOL DISTRICT** – Issuance of general obligation bonds in the amount of \$7.5 million for specified school improvements.
- T** - **TORRANCE CITY** – Charter Amendment. Change in election date to the same date as the statewide primary election date.